



*United States Attorney
Southern District of New York*



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**FORMER TECHNOLOGY COMPANY ACCOUNT MANAGER SENTENCED
IN MANHATTAN FEDERAL COURT TO 18 MONTHS IN PRISON
FOR CONSPIRING TO ENGAGE IN INSIDER TRADING**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that MANOSHA KARUNATILAKA was sentenced yesterday in Manhattan federal court to 18 months in prison for conspiring to participate in an insider trading scheme in which he defrauded a public company to obtain material, nonpublic information ("Inside Information") and provided that information to members of the investment community for the purpose of executing securities transactions. KARUNATILAKA participated in the insider trading conspiracy while working as an account manager for Taiwan Semiconductor Manufacturing Company, Ltd. ("TSMC"). He pled guilty to one count of conspiracy to commit securities fraud and wire fraud on May 11, 2011. U.S. District Judge JED S. RAKOFF imposed yesterday's sentence.

According to the Information, a Complaint previously filed in this case, and statements made during the guilty plea proceeding:

Between 2008 and 2010, KARUNATILAKA and his co-conspirators participated in a conspiracy to obtain Inside Information, including TSMC product sales and shipping information. They used an "expert networking" firm (the "Firm") for the purpose of facilitating "consultation calls," during which KARUNATILAKA provided the Inside Information to Firm clients. Between January 2008 and June 2010, the Firm paid KARUNATILAKA more than \$35,000 for his consultation calls.

On October 8, 2009, for example, KARUNATILAKA had a telephone conversation with a technology analyst at a financial institution in New York, New York, during which he provided material non-public information about TSMC and TSMC's customers, in violation of his fiduciary and other duties of trust and confidence to TSMC.

In his plea agreement, KARUNATILAKA admitted that, based on his participation in the conspiracy, the Inside Information he provided to others resulted in trading gains of more than \$1 million.

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In addition to the prison term, JUDGE RAKOFF sentenced KARUNATILAKA, 37, of Marlborough, Massachusetts, to two years of supervised release. KARUNATILAKA was also ordered to forfeit \$35,000.

Mr. BHARARA praised the investigative work of the Federal Bureau of Investigation. He also thanked the U.S. Securities and Exchange Commission for its assistance in the investigation.

This case was brought in coordination with President BARACK OBAMA's Financial Fraud Enforcement Task Force, on which Mr. BHARARA serves as a Co-Chair of the Securities and Commodities Fraud Working Group. President OBAMA established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

Assistant U.S. Attorneys ANTONIA APPS, REED BRODSKY, and DAVID LEIBOWITZ are in charge of the prosecution.

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